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APPLICATION OF

UNITED TELEPHONE-SOUTHEAST, INC.

CASE NO. PUC990211

For authority to provide notice to its Konnarock customers of revised ELS Proposal

HEARING EXAMINER'S RULING

April 28, 2000

On May 12, 1998, telephone customers in United Telephone-Southeast, Inc.'s ("United") Konnarock exchange petitioned this Commission for local service to the Sugar Grove, Marion, Chilhowie, and Saltville exchanges. Customer polls showed that a majority of Sugar Grove customers were unwilling to pay an increase in monthly rates for local calling to Konnarock. United calculated the rate changes for Konnarock customers to call the Marion, Chilhowie, and Saltville exchanges.

On November 12, 1999, United filed an application requesting that notice be provided to Konnarock customers stating that: (i) Sugar Grove customers rejected calling to Konnarock; (ii) the earlier local service proposal will be modified to remove Sugar Grove; and (iii) the revised rates reflect this change. On December 21, 1999, the Commission issued an Order Prescribing Notice in which it also permitted customers to file comments and request a hearing. Based on customer comments and requests for hearing, on March 13, 2000, the Staff filed a report suggesting a public hearing on the matter. On April 4, 2000, the Commission issued its Procedural Order, assigned this matter to a Hearing Examiner, and directed the scheduling of a local public hearing.

Upon consideration of the application and the Commission's order of April 4, 2000, I find that local hearings should be scheduled to receive public comments in this matter. Further, a procedural schedule should be established for the provision of public notice, the filing of written comments, and receiving evidence. Accordingly,

IT IS DIRECTED THAT:

- (1) Local hearings to receive public comments on the proposed extended local service area are hereby scheduled for 3:00 p.m. and 7:00 p.m. on June 7, 2000, in the Smyth County Circuit Court at 109 West Main Street, Marion, VA 24354;
- (2) Any person desiring to comment in writing, or prefile any written direct testimony or exhibits on the proposed extended local service may do so by directing such comments on or

before June 5, 2000, to Joel H. Peck, Clerk, Virginia State Corporation Commission, P.O. Box 2118, Richmond, VA 23218, and refer to Case No. PUC990211.

(3) On or before May 19, 2000, the Commission's Division of Communications shall publish once a week for two consecutive weeks the following notice as display advertising or classified advertising with a display border in newspapers of general circulation within United's Konnarock, Sugar Grove, Marion, Chilhowie, and Saltville exchanges:

VIRGINIA STATE CORPORATION COMMISSION NOTICE OF PUBLIC HEARING AND OPPORTUNITY TO COMMENT ON THE PROPOSAL OF UNITED TELEPHONE-SOUTHEAST, INC. TO EXPAND THE LOCAL CALLING AREA OF THE KONNAROCK EXCHANGE TO INCLUDE THE MARION, CHILHOWIE, AND SALTVILLE EXCHANGES CASE NO. PUC990211

The Virginia State Corporation Commission ("Commission") is inviting comments from telephone customers affected by the petition of United Telephone-Southeast, Inc. ("United") to expand the local calling area of the Konnarock exchange to include the Marion, Chilhowie, and Saltville exchanges.

On May 12, 1998, telephone customers in United's Konnarock exchange petitioned the Commission for local calling to the Sugar Grove, Marion, Chilhowie, and Saltville exchanges.

Konnarock customers were polled regarding their willingness to pay an increase in monthly rates for local calling to Sugar Grove, Marion, Chilhowie, and Saltville. This survey passed with a majority of the customers responding favoring the expanded local calling area.

Cost studies were then completed for the exchanges calling back to Konnarock. Sugar Grove customers were polled regarding their willingness to pay an increase in monthly rates for local calling to Konnarock. The survey failed with a majority of the responding customers voting against the proposal.

Marion, Chilhowie, and Saltville customers were provided public notice and given until October 7, 1999, to file comments or requests for a hearing. One Marion and one Chilhowie customer filed comments opposing the proposal.

As a result of Sugar Grove customers rejecting the proposal, the proposed monthly rate changes for Konnarock customers to call the remainder of the exchanges (Marion, Chilhowie, and Saltville) are less than those previously proposed. The revised proposed increases to rates are as follows:

flat rate single-party residential service, \$2.50;

flat rate two-party residential service, \$1.97; flat rate four-party residential service, \$1.85; flat rate single-party business service, \$5.92; flat rate two-party business service, \$5.13; flat rate four-party business service, \$3.89; flat rate key, data, or Centrex key trunk, \$8.88; flat rate PBX or Centrex PBX Trunk, \$8.88; and customer-owned coin or semi-public coin service, \$8.88.

Customers wishing to comment on the proposed change to their local calling area may do so by filing, on or before June 5, 2000, such comments, in writing, referring to Case No. PUC990211, with Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

Local hearings to receive public comments on the proposed change to the local calling area have also been scheduled at the following location and times:

June 7, 2000 at 3:00 p.m. and 7:00 p.m. Smyth County Circuit Court 109 West Main Street Marion, VA 24354

Persons wishing to speak at the hearings need only attend one of the hearings and provide their name and address to the Commission's bailiff.

VIRGINIA STATE CORPORATION COMMISSION

(4) On or before June 7, 2000, the Commission's Division of Communications shall provide proof of public notice by newspaper publication in the manner described herein.

Alexander F. Skirpan, Jr. Hearing Examiner